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9 UNITED STATES BANKRUPTCY COURT
 10 EASTERN DISTRICT OF CALIFORNIA
 11 SACRAMENTO DIVISION
 12

13 In re:
 14 CITY OF STOCKTON, CALIFORNIA,
 15 Debtor.

Case No. 2012-32118
 D.C. No. OHS-15
 Chapter 9

**EXHIBITS G THROUGH I TO
 DECLARATION OF NORMAN C.
 HILE IN SUPPORT OF CITY'S
 SUPPLEMENTAL MEMORANDUM
 OF LAW IN SUPPORT OF
 CONFIRMATION OF FIRST
 AMENDED PLAN FOR THE
 ADJUSTMENT OF DEBTS OF CITY
 OF STOCKTON, CALIFORNIA
 (NOVEMBER 15, 2013)¹**

Date: May 12, 2014
 Time: 9:30 a.m.
 Dept: Courtroom 35
 Judge: Hon. Christopher M. Klein

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 25
 26 ¹ Paragraph 13 of the Order Modifying Order Governing The Disclosure And Use Of Discovery Information And
 27 Scheduling Dates Related To The Trial In The Adversary Proceeding And Any Evidentiary Hearing Regarding
 28 Confirmation Of Proposed Plan Of Adjustment (Dkt. No. 1242, modifying Dkt. No. 1224) contemplates that the
 Parties will submit direct testimony declarations for their respective witnesses by April 21, 2014. Accordingly, the
 declarations submitted in support of this Supplemental Memorandum do not contain all of the information and do not
 attach all of the evidence that will be included in the direct testimony declarations that will be filed on April 21.

Exhibit G

Message

From: Gallegos, Lisa [/O=MESSAGING/OU=SMO/CN=RECIPIENTS/CN=LGALLEG]
Sent: 9/23/2013 11:02:43 PM
To: Johnston, Jennifer [/O=MESSAGING/OU=SMO/cn=Recipients/cn=jjohnst]
CC: Coleman, Stacey Johnston [/O=MESSAGING/OU=SMO/cn=Recipients/cn=SJohnst]
Subject: RE: Stockton heads up

Jennifer – be great if we could start a draft of a statement on this – we may not want to say much if we are the midst of negotiations but good to have something drafted and to have the exact context of how much exposure we have (I believe it is less half a percent when looking at funds that hold it but can we get the publicly disclosed figures on that?)

Also, is Chris Franta in the loop on this?

Based on our discussions – below is a rough first stab – send us your thoughts and then we can route to Sheila, Raf, Tom and Chris – with a sign off from Legal.

DRAFT STATEMENT for press:

We cannot comment in detail related to our investments in Stockton as we are still in the middle of negotiations. We can confirm that as of xxx we held XX of uninsured Stockton bonds which we held in X fund and X fund, representing less than 0.20% of our fund holdings. While this investment does not represent a significant position in any one of our municipal bond funds, it is our fiduciary responsibility to ensure that our fund investors are protected and we will work diligently toward that ensuring that happens.

Thanks
Lisa

Lisa Gallegos VP of Corporate Communications - Global
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From: Johnston, Jennifer
Sent: Monday, September 23, 2013 3:53 PM
To: Gallegos, Lisa
Cc: Walsh, Tom; Costas, Rafael; Amoroso, Sheila; Coleman, Stacey Johnston
Subject: RE: Stockton heads up

I would expect that we will get the plan first with the public announcement to follow soon after. I would guess within a few hours. I'll let you guys know as soon as we know.

Jen

Jennifer L. Johnston
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Sent with Good (www.good.com)

-----Original Message-----

From: Gallegos, Lisa
Sent: Monday, September 23, 2013 02:18 PM Pacific Standard Time
To: Johnston, Jennifer
Cc: Walsh, Tom; Costas, Rafael; Amoroso, Sheila; Coleman, Stacey Johnston
Subject: RE: Stockton heads up

Thanks Jennifer – can you keep Stacey Coleman in the loop as well – she will likely end up taking lead on any related media activity on this issue. Do you expect Stockton to issue a public announcement or will initial “plan” be communicated more directly to stakeholders?

Thanks
Lisa

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From: Johnston, Jennifer
Sent: Monday, September 23, 2013 2:13 PM
To: Gallegos, Lisa
Cc: Walsh, Tom; Costas, Rafael; Amoroso, Sheila
Subject: Stockton heads up

Hi Lisa,

As we discussed generally last week, we expect Stockton will release their Plan of Adjustment in the next few weeks. It actually could come as early as tomorrow. While we don't know for sure what the Plan will entail, the city's attorneys have referred to it in the past as a “cramdown” plan. [REDACTED]

[REDACTED] At this point we just don't know, but I just wanted to give you a heads up as there is likely to be a lot of press around it.

I will be sure to let you know as soon as we hear anything and I can of course discuss it with you in more depth.

Thanks,

Jen

Jennifer L. Johnston

VP/Analyst-Municipal Bonds

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Exhibit H

< GAIN FROM OUR PERSPECTIVE >

Franklin California High Yield Municipal Fund

Fund Category: Tax Free Income

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Find a Fund

Share Class A		As of 03/28/2014		Average Annual Total Returns As of Quarter End 12/31/2013			Expense Ratio and Sales Charge As of 10/01/2013 (updated annually)	
Symbol	FCAMX	NAV ²	\$10.14		w/ Sales Charge	w/o Sales Charge	Gross Expense Ratio ⁵	0.61%
CUSIP	354 025 306	NAV Change	-\$0.01		-7.79%	-3.71%	Net Expense Ratio	0.61%
Fund Number	175	POP ³	\$10.59	1 Yr	10.03%	10.98%	Max Initial Sales Charge	4.25%
Inception Date ¹	May 03, 1993	YTD Total Return at NAV	5.03%	5 Yrs	4.41%	4.87%	CDSC	0.00%
Distributions	Monthly	Distribution Rate at NAV	4.91%	10 Yrs	5.27%	5.49%	12b-1 Fee	0.10%
Total Net Assets (all share classes) As of 02/28/2014	\$1,641.5 (millions)	30-day Standardized Yield ⁴	4.46%	Life				
		As of 02/28/2014 (updated monthly)						

Performance data represents past performance, which does not guarantee future results. Current performance may differ from figures shown. Investment return and principal value will fluctuate with market conditions, and you may have a gain or loss when you sell your shares.

Overview | Portfolio | Performance | Distributions | Pricing | Tax Information

Print

Fund Description

The Fund invests in high yielding, lower rated California municipal securities.

Strategy Statement



"In the Franklin Muni Department, we are committed to a conservative, disciplined investment strategy. For over 30 years, we have worked to provide shareholders with a

Portfolio Managers

Fund Alert 03/04/2014

In February, Franklin California High Yield Municipal Fund adjusted its dividends as follows: Class A from 4.10 to 4.15 cents per share; Class C from 3.66 to 3.71 cents per share and Advisor Class from 4.18 to 4.23 cents per share.

Exhibit I

< GAIN FROM OUR PERSPECTIVE >

Franklin High Yield Tax-Free Income Fund

Fund Category: Tax Free Income

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Share Class A		As of 03/28/2014		Average Annual Total Returns As of Quarter End 12/31/2013			Expense Ratio and Sales Charge As of 07/01/2013 (updated annually)	
Symbol	FRHIX	NAV ²	\$10.16		w/ Sales Charge	w/o Sales Charge	Gross Expense Ratio ⁵	0.65%
CUSIP	354 723 702	NAV Change	-\$0.01	1 Yr	-10.73%	-6.73%	Net Expense Ratio	0.65%
Fund Number	130	POP ³	\$10.61	5 Yrs	7.93%	8.87%	Max Initial Sales Charge	4.25%
Inception Date ¹	Mar 18, 1986	YTD Total Return at NAV	5.23%	10 Yrs	3.90%	4.35%	CDSC	0.00%
Distributions	Monthly	Distribution Rate at NAV	4.95%	Life	6.04%	6.21%	12b-1 Fee	0.10%
Total Net Assets (all share classes) As of 02/28/2014	\$7,778.1 (millions)	30-day Standardized Yield ⁴	4.10%					
		As of 02/28/2014 (updated monthly)						

Performance data represents past performance, which does not guarantee future results. Current performance may differ from figures shown. Investment return and principal value will fluctuate with market conditions, and you may have a gain or loss when you sell your shares.

Overview | Portfolio | Performance | Distributions | Pricing | Tax Information

Print

Fund Description

This Fund invests in high yielding, lower rated municipal securities from across the nation.

Strategy Statement



"In the Franklin Muni Department, we are committed to a conservative, disciplined investment strategy. For over 30 years, we have worked to provide shareholders with a

Portfolio Managers

Fund Alert 03/04/2014

In February, Franklin High Yield Tax-Free Income Fund adjusted its dividends as follows: Class A from 4.05 to 4.19 cents per share; Class C from 3.61 to 3.75 cents per share and Advisor Class from 4.13 to 4.27 cents per share. Dividends vary based